



HERTFORD COUNTY ANNUAL BUDGET PRESENTATION FISCAL YEAR 2013~2014

Loria D. Williams, County Manager



BUDGET COMPOSITION

- ➔ Revenues
- ➔ Expenditures
- ➔ Enterprise Funds – Solid Waste, Northern & Southern Water Districts
- ➔ E~911 Fund
- ➔ Register of Deeds Enhancement Fund
- ➔ Capital Reserve Funds – Schools & County

In accordance with G.S. 153A-82 that requires counties to have a balanced budget by June 30th



BUDGET DRIVERS

State & Local Outlook

COMPARISON ~~ 2013

- Insurances (GL, WC, Health) costs ~ \$1,745,096
- Retirement Contribution (General Class ~ 6.74%; LEO – 6.77%
- Unemployment Insurance – \$13,811
- Economy ~~ Sales Taxes (slow incline) ~ \$3,315,000
- Capital Projects ~~\$517,510

Cost of doing
business increased
by \$264,935 in
these areas alone

COMPARISON ~~ FY 2014

- Insurances (GL, WC, Health) costs ~ \$1,873,031
- Retirement Contribution (General Class – 7.07%; LEO – 7.28% ~ \$50,000
- Unemployment Insurance & Set Aside (1% of taxable wages up to \$20,900) ~ \$100,000
- Economy ~~ Sales Taxes (slight decline projected) ~ \$3,295,505
- Capital Projects ~~\$412,500

State-directed
unfunded
mandates are
ever-present



VALUE AND GROWTH FACTORS

Property Valuation dictates Tax Rate

Tax Rate ~ Formula Driven

The estimated taxable value for 2013~14 is \$1,499,688,308. Therefore, with a tax rate of .84 cents and a collection rate of 95%, the projected property tax revenue is \$11,967,729, using the following formula:

$$\begin{aligned} &\$1,499,688,308 \times 0.84 \\ &\text{cents} \times .95 \times .01 \text{ equals} \\ &\$11,967,729. \end{aligned}$$

Compared to last year's tax revenue of \$11,717,733 – expansion dollars \$249,996.

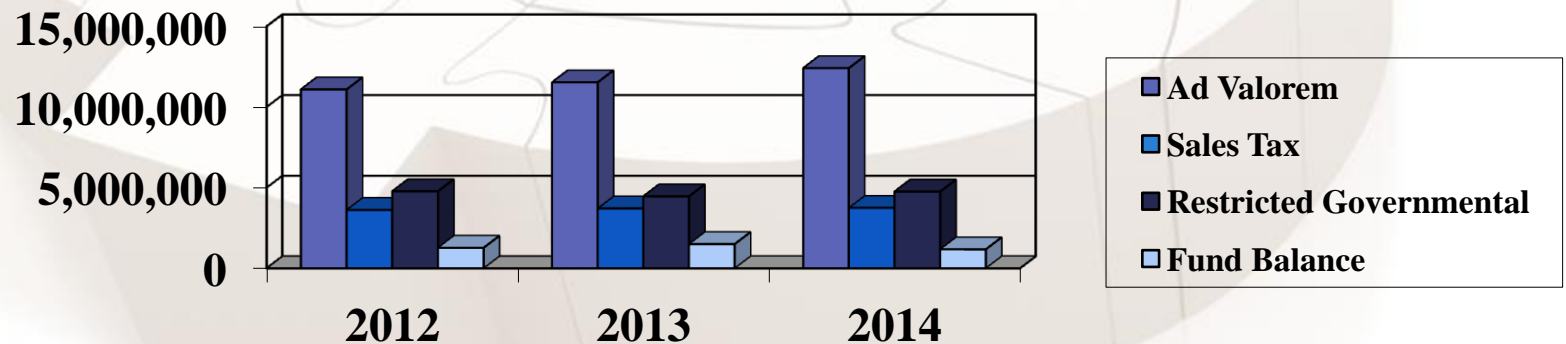
Fiscal Year	Assessed Value	Growth Factor
2008	1,186,007,557	2.31%
2009	1,203,330,247	1.46%
2010	1,203,017,301	Loss value
2011	1,225,174,825	2%
2012*	1,389,428,276	13%
2013**	1,468,387,603	6%
2014	1,499,688,308	2%

Set a tax rate that
can maintain
services through
the lean years

Note 2003
revaluation
growth factor
was 23%

REVENUE FACTORS

- **Ad Valorem Taxes** – This year's increased values will generate an additional \$249,996 in the tax levy, representing a four percent increase compared to last year. Ad valorem taxes makeup 54% of the county's revenue stream.
- **Restricted Intergovernmental Funds** – Offsetting federal and state revenues account for 19% of the revenue stream. This year's budget reflects a 3% reduction in this fund due to federal cuts in human services programming, namely Social Service Block Grant (SSBG) and loss in the federal reimbursement for Child Support Enforcement..
- **Sales Tax** – Due to slow recovery in the economy, sales tax (which use to account for as much as 22% of the revenue stream) make up 14% is projected slightly below last year's budget.
- **Fund Balance Appropriated** – With no projects capital projects identified for the upcoming year, there is a slight reduction in fund balance appropriated from previous years.





RECOMMENDED BUDGET



Reflects a General Fund Budget of \$23,146,166 maintaining the tax rate of \$0.84/100 valuation. This rate is based upon an estimated valuation of real and personal property of \$1,499,688,308 and a collection rate of 95 percent.



Reflects an appropriated fund balance of \$1,173,769 of which is five percent (5%) of the operational budget. Fund balance appropriated represents the difference between revenues and expenditures.



One cent is equivalent to \$142,470 in comparison to last planning year's one cent equivalent of \$138,028.



Outside agencies (public schools, health department & community college) requested an additional \$797,088 (five cents) in funding. However, this budget funds those agencies at level funding. Department heads requested an additional \$998,915 (seven cents) in funding. For the most part, departments were held to level funding as well.



This budget does not provide for a COLA for employees; however, funds 100% of employee health benefits and longevity.

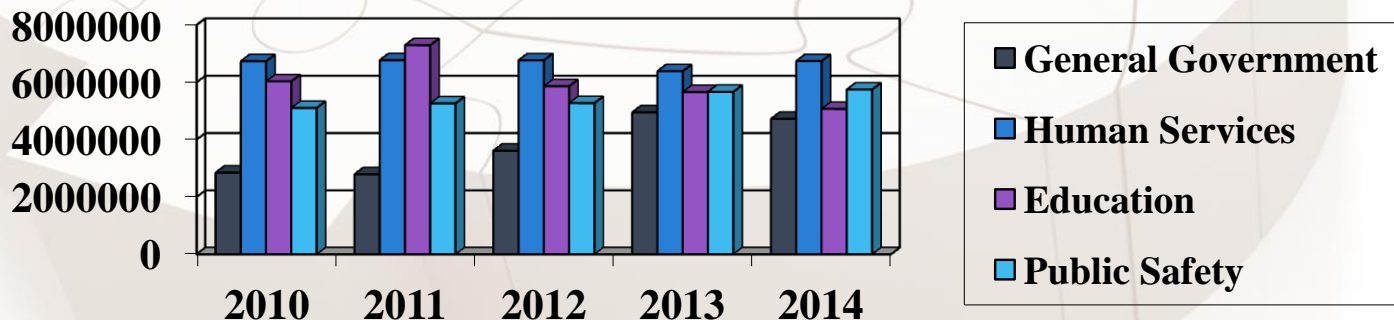
EXPENDITURE FACTORS

General Government – Slight decrease is due to completion of capital projects (non-recurring) this fiscal and earmarked sales tax revenues in the amount of \$100,000 diverted to the capital reserve fund.

Human Services – The reduction in this function is due to federal cuts in the SSBG Block Grant that funds.

Education – This slight reduction in education is due to capital outlay to schools being appropriated on a project by project basis; budget will be amended to reflect allocation when Board approves same.

Public Safety – Slight increase due to workers' compensation and General Liability insurances.

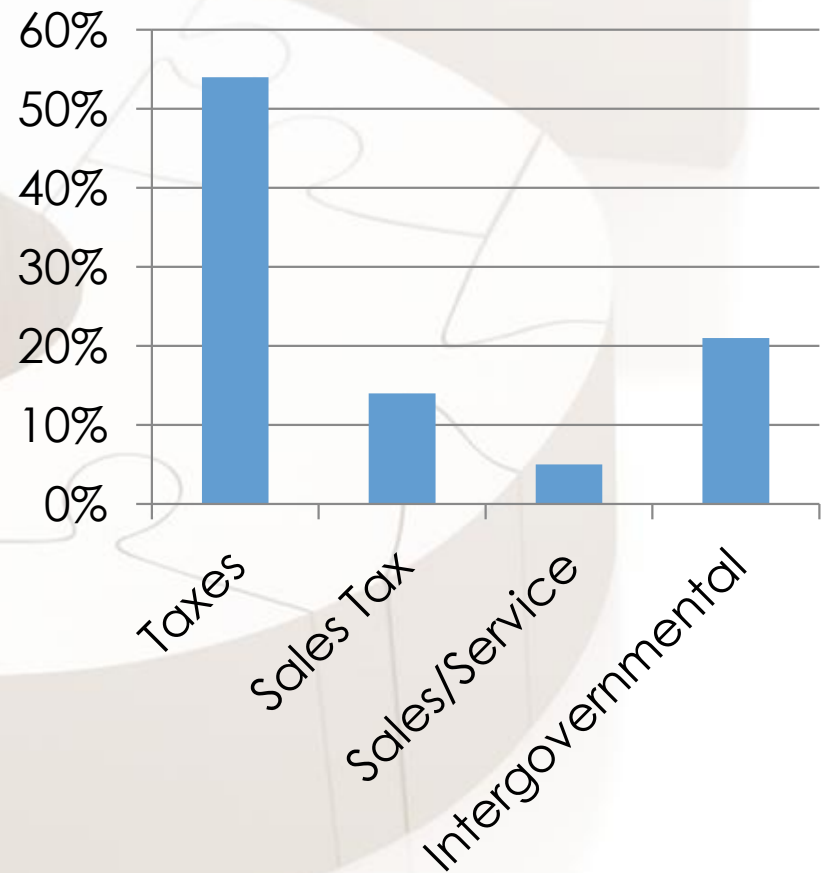
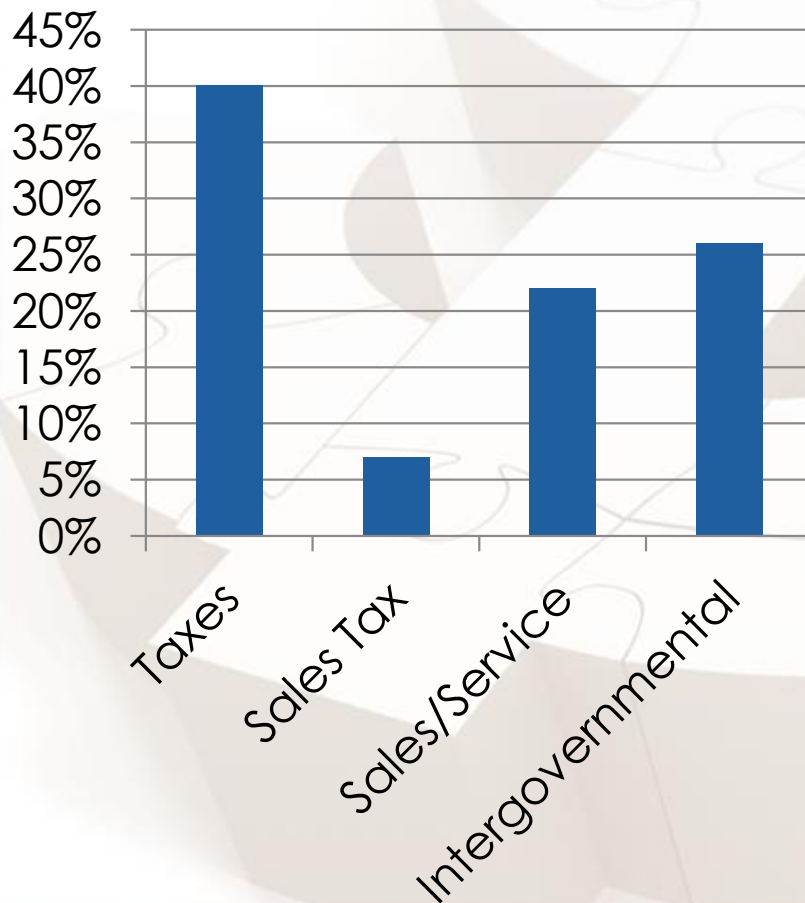


ARE WE MEASURING UP?

REVENUES

BERTIE

HERTFORD

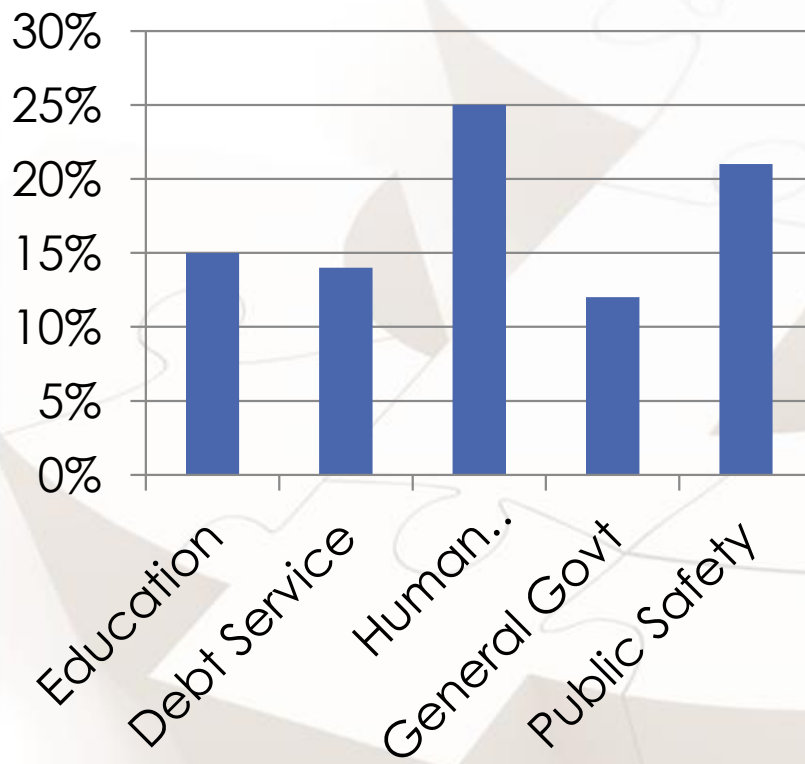




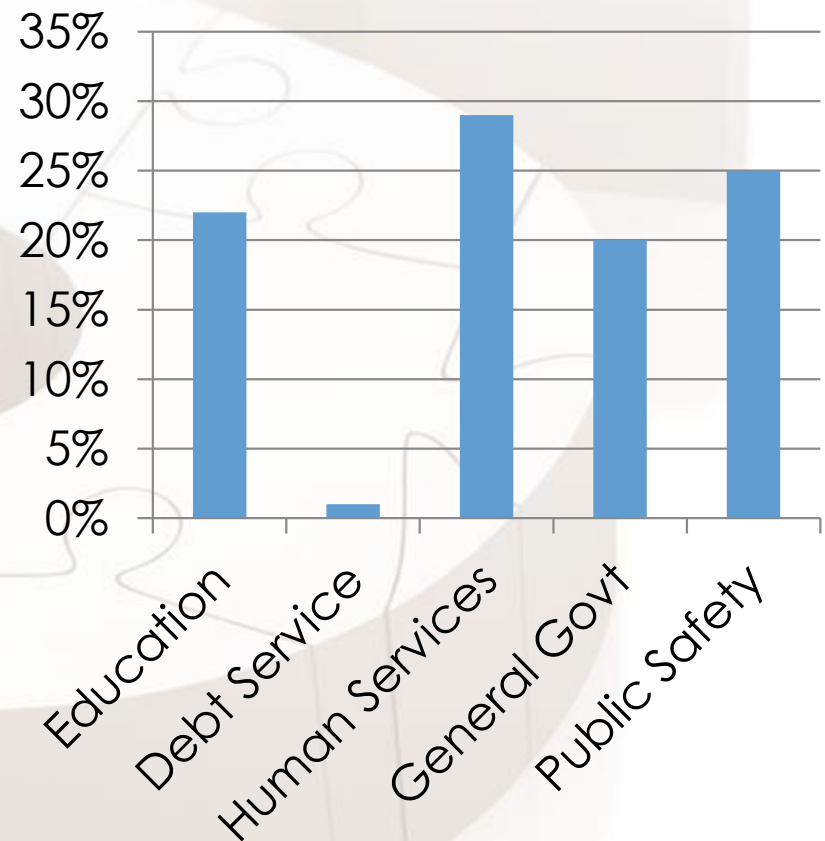
MEASURING...

Expenditures

BERTIE



HERTFORD

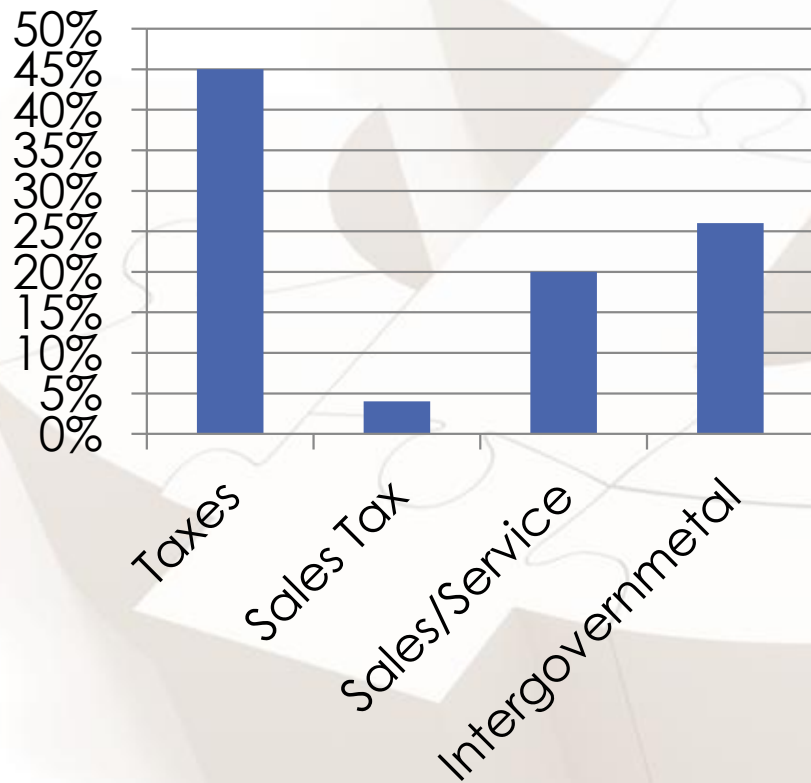




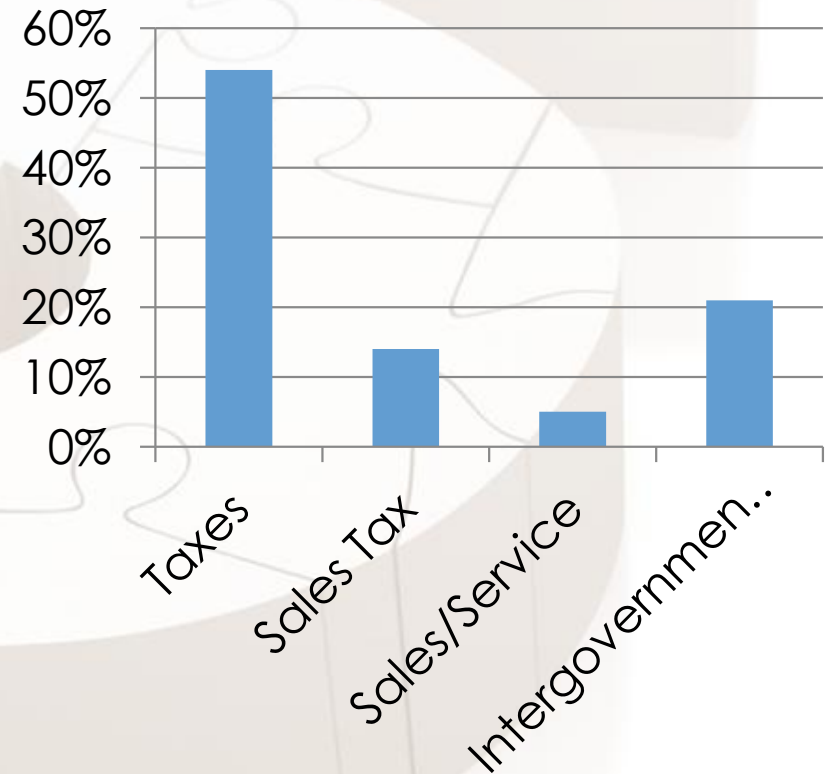
STILL MEASURING. . . .

Revenues

NORTHAMPTON



HERTFORD



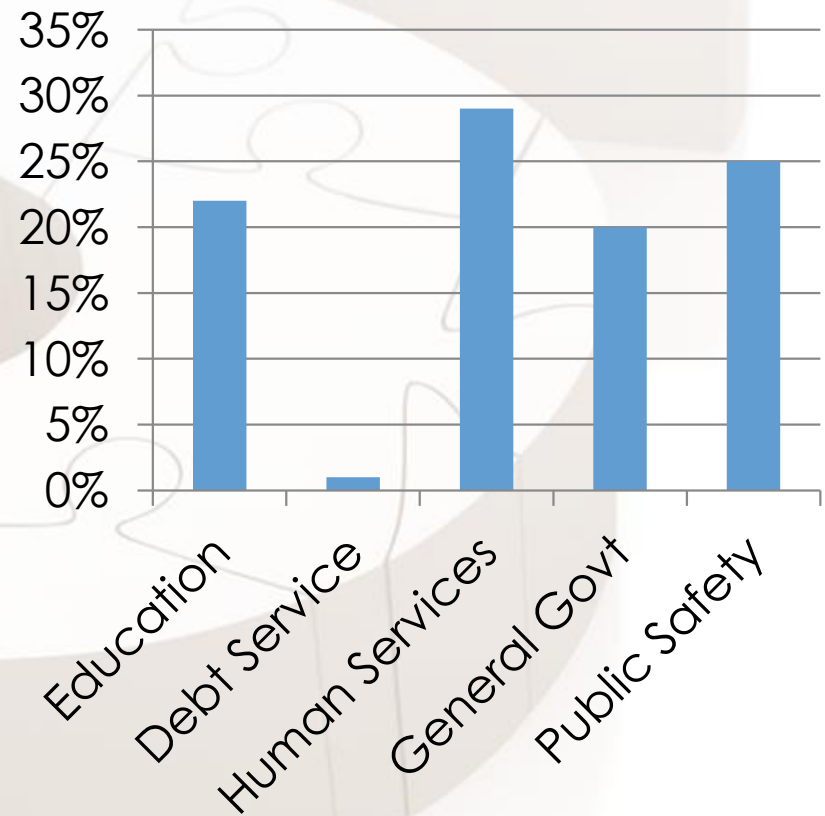
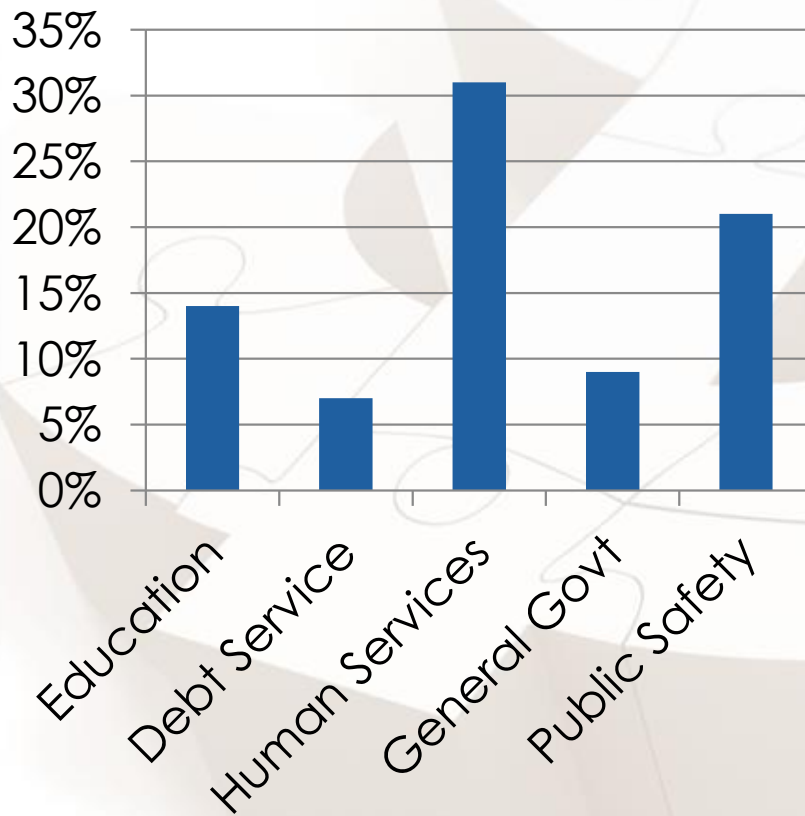


IN GOOD COMPANY

Expenditures

NORTHAMPTON

HERTFORD



UNRESERVED FUND BALANCE

Fund balance is a measure of the financial resources available in a governmental fund, and is indicative of sound financial conditions within a fund.

During the past three fiscal years, we have allocated over \$1.6 million of fund balance to cover several capital projects. Fund balance has been at an all time high of 30%; however, we are currently below 20% as estimated by the finance officer.

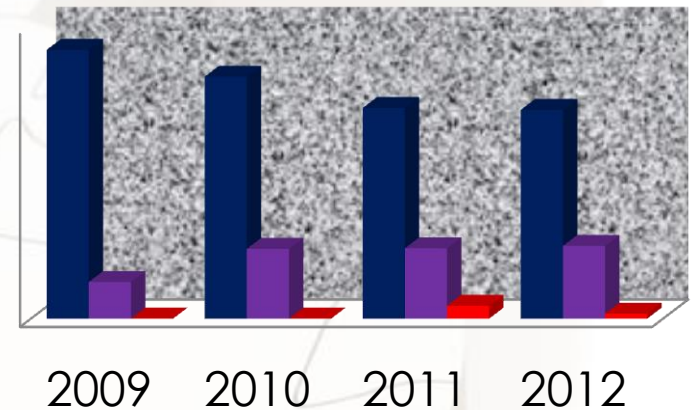
The LGC requires a minimum unreserved general fund balance of eight percent. It is further recommended for counties within our population group maintain between fifteen and twenty five percent.

\$6,000,000.00

\$4,000,000.00

\$2,000,000.00

\$0.00



■ Fund Balance

■ Fund Balance Appropriated

■ Fund Balance Spent

Monthly
expenditures
average \$1.8 & \$2.2
million

July expenditures
\$2,304,494 –
Revenues –
\$1,200,063



GENERAL FUND CONCLUSION

This recommended budget reflects five percent reduction from current year budgeting. Please note that the decrease is due in part to completion of several capital projects, as well as the recent Board action to appropriate school capital outlay only on a project by project basis.

This budget follows the debt affordability analysis by setting aside the $\frac{1}{4}$ cents sales tax, as well as an additional 15% of the one cent sales tax in a capital reserve fund for debt payments due to start this fiscal year.

This budget restores funding to non-profit and community based organizations to previous years; allocations.



Work
sessions

Public
Hearing

Adoption

To have funded all agencies
and departments at the
level requested would have
required a tax rate of
\$0.96



ENTERPRISE FUNDS

Self-Sustaining via User Fees

Hertford County uses enterprise funds to account for its water and solid waste activities and services. User fees are assessed annually and is the sole revenues source for each of these funds.

Current user fees are as follows:

- Solid Waste ~
\$115/Household
- Northern Water —
\$25/2,000
- Southern Water ~~
\$25/2,000

There are no increases recommended at this time.



Solid Waste

Northern Water
District

Southern Water
District



NORTHERN WATER

	2012~13	2013~14
Revenues		
Sales & Services	474,342	475,700
Miscellaneous	3,000	1,000
Investment income	~0~	~0~
TOTAL REVENUES	\$477,342	\$476,700
Expenditures		
Salaries	102,275	88,654
Operating Expenses	375,067	388,046
TOTAL EXPENDITURES	\$477,342	\$476,700



SOUTHERN WATER

	2012~13	2013~14
Revenues		
Sales & Services	1,064,983	1,010,500
Miscellaneous	3,000	26,000
Investment income	~0~	~0~
TOTAL REVENUES	\$1,067,983	\$1,036,500
Expenditures		
Salaries	160,251	177,917
Operating Expenses	907,732	858,583
TOTAL EXPENDITURES	\$1,067,983	\$1,036,500



SOLID WASTE

	2012~13	2013~14
Revenues		
Taxes & Licenses	977,246	900,654
Miscellaneous	150	100
Investment income	500	300
Fund Balance Appropriated	322,857	~0~
TOTAL REVENUES	\$1,300,753	\$901,054
Expenditures		
Salaries	273,337	279,396
Operating Expenses	1,027,416	621,658
Fund Reserve	~0~	~0~
TOTAL EXPENDITURES	\$1,300,753	\$901,054